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DIV. OF OIL, GAS & MINING

August 18, 2004

Daron R. Haddock, Permit Supervisor Minerals Regulatory Program State of Utah Department of Natural Resources Division of Oil, Gas & Mining P. O. Box 145801 Salt Lake City, UT 84114-5801

Re: Papoose Mine, M/037/084, San Juan County, Utah Replacement Surety Bond

Dear Mr. Haddock:

I had previously written concerning the changing of bonding companies by Cotter Corporation. As such, I am enclosing a Reclamation Surety Bond (bond #K07040441) for the Papoose Mine that is written by Westchester Fire Insurance Company in the amount of \$94,700. This bond will replace the Travelers Bond #064S104019142 currently held by the Division.

Please return the original Travelers bond to me as quickly as possible so that I may return it to the surety. If you have questions please call me at (720) 554-6203.

Sincerely,

Jerry L. Powers

Manager of Administration

Encl.